



Office of the
Quartet

Strategy 2018 - 2020

Jerusalem, January 2018

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FOREWORD

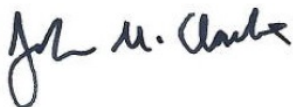
The past year has seen a realignment of the work of the Office of the Quartet (OQ) to better support the parties and other key partners in realizing the type of transformative change that will benefit those in need, while providing a platform for economic growth that can support, but not supplant, final status negotiations. The period covered by this strategy (2018-2020) will build upon and further refine this approach.

This strategy outlines the principles according to which the office will continue to operate as well as the specific objectives in each of the main areas in which we work, including energy, water, movement and trade, rule of law as well as information/communication technology and economic mapping. The strategy has benefited from consultation with the parties namely the four Quartet members (the United States, the European Union, the United Nations and Russia) as well as the main donors to the office each of which have been able to align behind the strategic objectives identified herein. These include, *inter alia*, a focus on sectoral solutions (encompassing mutually re-enforcing short, medium and long-term measures) in areas where there is a clear multiplier effect, seeking to bridge between the parties, including in the implementation of agreements reached and announcements made, as well as working closely with other key actors to ensure coordination and complementarity of approach. Successful implementation will require that we work with other actors to ensure that all relevant institutions have the capacity to deliver on the priorities identified. We will also continue to support the objectives of the Quartet itself, as it continues to work towards realizing a final status agreement.

Over the period covered by the strategy, the OQ's work will be supported by a core group of donors including the Kingdom of the Netherlands, the United States as well as the European Union, Canada, the United Kingdom and New Zealand.

We look forward to working in partnership with the parties, Quartet members, donors and the international community more broadly in pursuing the strategy outlined in this document.

John N. Clarke

A handwritten signature in black ink, appearing to read "John N. Clarke". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Acting Head of Mission

STRATEGIC PRINCIPLES

The mandate of the Office of the Quartet is to increase Palestinian economic and institutional development and empowerment, as a support towards achieving a two-state solution.¹ In the event of a resumption of final status negotiations the OQ would support Quartet members in their efforts to realize a successful outcome. The following strategic principles will guide the OQ's work (in the areas of energy, water, rule of law, movement and trade and information/communication technology as well as economic mapping), to support the parties and ensure alignment with the strategic objectives of the Quartet members and donors to the Office.

OQ Work

1. Playing a **catalytic role** in working towards **sectoral solutions** in partnership with other actors, while taking on direct responsibility for specific elements of those solutions (when the office is well positioned, and requested to do so). Particular attention is paid to policies and projects that have a **multiplier effect** – that is an outcome which extends beyond the narrow output of the policy or project;
2. Focusing on **implementation of agreements reached and announcements made** by the parties, to ensure that they are translated as quickly as possible into results that have a positive impact in people's lives;
3. **Bridging between the parties** and providing creative solutions that enable progress on the ground;
4. Maintaining the **vertical depth** of our work from the most granular, **technical** level to the **strategic** and political level while engaging the broad array of actors required to make progress, including the parties, members of the international community and others;
5. Ensuring **complementarity** of the OQ's work with that of other key actors, including those which also play a convening role, including UNSCO, the Netherlands, Norway, the World Bank and the Local Aid Coordination Secretariat more broadly;
6. Continuing **support to the Quartet Envoys**, including their work to enable greater Palestinian sovereignty over their own affairs and to realize a final status agreement.

¹ The mandate as defined by the Quartet is to "help the Palestinians as they build the institutions and economy of a viable Palestinian State that is able to take its place as a peaceful and prosperous partner, at peace with Israel and its other neighbors" (Quartet Statement, June 27, 2007). In 2011 the Quartet Office was further instructed to enable "significantly greater independence and sovereignty for the Palestinian Authority over its affairs." (Quartet Statement, September 23, 2011).

Management and Operations

7. **Sustaining** a cost-effective office, while maintaining high performance;
8. **Diversifying the OQ donor base** in a manner that both reduces the burden on any one country, but which also reduces our vulnerability to funding shocks. We are also seeking multi-year commitments to make funding more predictable and the work of the OQ more sustainable, including restructuring the manner in which the fixed and running costs of the office are met;
9. **Improving the transparency of our work**, through the development of this strategy, the preparation of an annual report and twice annual consultations with Quartet Envoys and donors to the OQ on the work and management of the office.

Process

10. **There are a variety of channels through which the OQ engages the parties and the international community. In the period covered by the strategy this will include:**
 - a. **Regular, substantive meetings with senior Palestinian and Israeli decision-makers;**
 - b. **Convening** of informal meetings of **donors and Quartet members by sector**, with a view to ensure common messaging on key issues, in a manner that complements other structures;
 - c. **Continued** engagement with and support of the **Local Aid Coordination Secretariat** and the **Ad Hoc Liaison Committee;**
 - d. Continuation of West Bank and Gaza focused **Heads of Mission meetings.**

SECTORAL STRATEGIES

I. ENERGY

Securing access to reliable, affordable and sustainable energy in the West Bank and Gaza is central to improving the lives of Palestinians and to creating the conditions under which economic growth can be realized. **The objective of the OQ's work in the energy sector is to develop and support initiatives, policies and projects that address the full generation-transmission-distribution cycle, and contribute to the establishment of a unified and economically viable sector.** This holistic approach has the following three mutually re-enforcing sub-objectives:

1. **Increasing and diversifying the generation and supply of energy;**
2. **Enabling infrastructure;**
3. **Supporting commercial viability.**

In most cases, the specific areas of OQ support will consist of more than one of the three sub-objectives identified above.

1. Increasing and diversifying the generation and supply of energy

Expanding the supply of electricity in the Palestinian territory is critical, particularly in Gaza, where, at best, power supply meets less than half of demand, leading to rolling blackouts and approximately four hours of electricity per day. With demand projected to grow at an annual rate of 3.5 percent, efforts to both **expand and diversify the supply of electricity** are essential to improve energy security. In the West Bank the implementation of the September 2016 Electricity Agreement, as noted further in section (3) below, should facilitate greater diversity and supply of electricity on a commercial basis. Immediate and short-term measures need to be taken to expand the power supply and, in the longer term, to invest in diverse domestic generation capacity. As part of this objective, the OQ focuses on the following activities:

A. Providing a gas connection for Gaza

The supply of natural gas to Gaza is the central and indispensable component of the solution to develop the Palestinian energy sector in the longer term. The availability of a reliable and cost-efficient supply of natural gas in Gaza will unlock a significant expansion in generating capacity, and therefore energy availability. It will also reduce generating costs, since natural gas is approximately a third of the cost of diesel per MWh generated, and decrease the reliance on electricity imports from Israel. Costs will be significantly reduced for both consumers and the Palestinian Authority (PA) once the pipeline is built and gas is flowing.

The Gas for Gaza (G4G) initiative facilitates the agreement and construction of a gas pipeline from the Israeli gas network to Gaza. It is led through the formal Task Force platform, which is convened by the OQ. Ongoing progress has been achieved since the first Task Force meeting in August 2015, including identification of a route, the start of permitting in the Israeli system and ongoing progress in developing the project's commercial framework. To support the provision of natural gas to Gaza, the OQ will:

1. Continue to chair the G4G Task Force and work with the parties to facilitate progress, including undertaking necessary studies and coordinating between the parties;
2. Initiate, coordinate and facilitate all project activities including security, technical, financial, legal and political dimensions of the project;
3. Work to secure funding for the infrastructure that is required;
4. Support the planning and permitting processes in Israel and Gaza.

Once completed, the G4G project will not only contribute to a significant increase in domestic generation on a cost-efficient basis, but also enable other critical infrastructure including the Gaza Central Desalination Plant, enable economic growth and development more broadly and importantly will fundamentally improve the quality of life.

B. Supporting PA efforts to expand domestic generation from conventional and non-conventional sources

The OQ will support the PA and the private sector, in coordination with the international community, to develop domestic electricity generation initiatives in the West Bank. This includes both conventional (such as the Jenin Power Plant which will significantly reduce the West Bank reliance on electricity imports) as well as non-conventional generation (such as solar energy initiatives). Finally, the development of Palestinian natural gas reserves is key for economic development, and to support cost-effective electricity generation.

2. Enabling infrastructure

Sizeable investments into key energy infrastructure are required, particularly for transmission infrastructure. This is a constraint on the network's capacity and increases the cost of power. Developing sufficient transmission and distribution infrastructure for both electricity and natural gas is critical to allow additional generation capacity to come online, and to ensure that power supply can be affordably transported to the centers of demand. Upgrades to existing infrastructure are also required to reduce technical losses and to facilitate improved monitoring and control of the networks.

A. Connecting Gaza to a high voltage – 161 kV – transmission line

The establishment of a high voltage 161 kV line will allow for bulk import of electricity from Israel to Gaza, which will expand the supply of electricity and reduce costs. According to estimates made by the Government of Israel (GoI), this high voltage connection can provide an additional 100 MW of electricity in 3-4 years. However, in the interim, until the electricity from the 161 kV line is available for Gaza, the

option of providing an additional 25 MW as a stop-gap measure is being examined. As in the West Bank, supplying Gaza with high voltage electricity will improve the commercial viability of the sector as bulk electricity will be purchased at the less costly high-voltage tariffs. However, for the full potential of the 161 kV line to be realized, improvements to cost recovery in Gaza will be needed. In support of the establishment of the 161 kV line, the OQ will:

1. Support the PA in outlining the technical components required and costs associated with the project;
2. Support engagement between the parties as needed, in order to resolve any outstanding issues;
3. Support fundraising efforts for the infrastructure required as well as any additional costs that emerge over the course of the planning process.

3. Supporting commercial viability

Substantial improvements to the credit worthiness and commercial viability of the energy sector are necessary in the West Bank and Gaza in order for the sector to be viable. Collection of electricity payments needs to be increased to reach cost recovery levels, to sustain key institutions and enable investments that will contribute to the development of the sector. This is also important in order to reduce the sector's reliance on deductions from the PA's clearance revenues and hence strengthen the PA's fiscal position, as well as attracting critical private investment. Therefore, a holistic approach towards improving commercial viability, outlining the technical, financial, behavioral and regulatory measures required to improve cost recovery at all levels is necessary.

A. Implementation of the Electricity Agreement

Implementing the September 2016 Electricity Agreement in full, **will contribute to all three of the sub-objectives identified**, increasing supply, enabling infrastructure and transferring significant control over the Palestinian electricity sector from Israel to the PA in a manner that can improve the commercial viability of the sector.

Building on the OQ's support to the PA in developing an implementation plan for this agreement, the OQ subsequently developed an '*Electricity Agreement Tracker*', which will help track progress, identify financing and capacity gaps, and flag risks on an ongoing basis. In addition, the OQ will continue to support the PA by engaging all key stakeholders in the sector at both the technical and political levels. In support of the implementation of the 2016 Electricity Agreement, the OQ will:

1. Monitor progress, flag risks and identify funding gaps, through the Electricity Agreement Tracker;
2. Assist the PA to resolve issues identified from the Electricity Agreement Tracker such as permitting, technical gaps, and capacity building requirements;
3. Support the PA in securing funds;
4. Support the parties, as needed, to successfully conclude the new Power Purchase Agreement and other agreements.

B. Improving cost recovery and commercial viability of the energy sector in Gaza

The OQ is also working to support the PA to improve the commercial viability of the sector in Gaza in the short-medium term, by developing comprehensive technical solutions that will address commercial, technical and other challenges associated with cost recovery of the sector. The approach is intended to enhance transparency, build confidence, and facilitate greater enforcement of payments for power within a unified sector. With such a full complement of measures gradually put in place, it should allow the PA to monitor and **control**, in real-time, distribution of power, billing and **payments** for electricity, and hence realize full control over electricity distribution and eventually transmission in Gaza. To support the PA in improving the commercial viability of the sector in Gaza, the OQ will:

1. Work with private sector experts to develop technical solutions that are fit for Gaza;
2. Work with key stakeholders to address cost recovery issues in a coordinated manner;
3. Support the roll out of concrete technical measures that will address cost recovery challenges in Gaza.

II. WATER AND WASTEWATER

Access to water is a humanitarian need and a key requirement for economic development. **The objective of the OQ's work in the sector is to support in addressing essential civilian needs, mitigating environmental challenges, enabling economic development, and contributing to a fully functioning sector.** Herein the OQ will continue to extend its support, in various forms, as set out below, to the different key actors assisting in effectively coordinating the sector.

Thus the OQ will continue to work with the parties and the international community to advance the development of the water and the wastewater sector holistically, focusing attention on three interdependent elements which together will ensure the viability of the sector:

- 1. Securing a reliable water supply;**
- 2. Enhancing water and wastewater infrastructure;**
- 3. Ensuring the commercial viability of the sector.**

Since the beginning of 2017, there has been some progress; the Joint Water Committee (JWC) and its Joint Technical Committee (JTC) reconvened, a verbal agreement on the implementation of the Red Sea Dead Sea (RSDS) MoU was concluded, tangible progress toward the establishment of the Gaza Central Desalination Plant was achieved and preparations for the regulatory reform of the sector were advanced. These steps were essential in realizing progress for the sector as a whole.

1. Securing a reliable water supply

Gaza has been suffering from a lack of potable water as 97 percent of water drawn from its main resource, the coastal aquifer, is not potable, a result of unsustainable levels of abstraction and the resulting infiltration of seawater.² This not only affects the supply of water for domestic use but also the supply of water for agriculture. Currently, small-scale desalination has been established in Gaza, small quantities of water are imported from Israel in a bilateral and regional context and there is almost no use of the treated wastewater. Quantities from local desalination and new quantities from Israel need to be increased significantly to strategically address the water supply challenges for domestic use and treated wastewater needs to be introduced as the main source of water supply for agriculture.

The West Bank faces challenges with a shortage of supply of water due to the limited access to ground water defined within the Oslo accords and limited import from Israel. Moreover, very limited quantities of treated wastewater have been used in agriculture or in other uses. To mitigate these challenges, abstraction from ground water and water imports from Israel need to be increased, and treated wastewater needs to be introduced as one of the main sources of supply for agriculture.

Addressing the crisis in Gaza and the shortage in the supply in the West Bank will require a holistic approach. The OQ will work to:

1. Support the Palestinian Water Authority (PWA) and the array of international partners in making progress towards the establishment of the Gaza Central Desalination plant, focusing particular attention on enabling the entry of materials that are classified as 'dual use' by the Government of Israel;
2. Support the implementation of the concluded agreements to ensure the supply of the agreed bulk import of water from Israel including the quantities agreed under the Red Sea-Dead Sea agreement;
3. Provide support for the bilateral discussions within the JWC and its JTC and other forums for technical discussions relevant to Gaza to increase the supply of imports from Israel including immediate transitional arrangements for water imports and to increase Palestinian abstraction of ground water;
4. Support and facilitate discussions on transboundary wastewater.

2. Enhancing water and wastewater infrastructure

The fragmented and depreciated water infrastructure that does not allow for moving water between populated areas when needed and that incurs a high rate of water loss contributes to an unreliable and inadequate supply of water to the people in the West Bank and Gaza. Moreover, lack of sufficient wastewater infrastructure and treated wastewater reuse schemes force dumping of raw and partially

² These abstractions exceeded the recommended international standard by three times.

treated wastewater into the environment. To cope with the anticipated increase in the supply of water, enable a decrease in water losses and to mitigate the pollution problems, parallel efforts are needed to develop water and wastewater infrastructure. As the infrastructure priorities were identified over the course of 2017, the OQ will:

1. Work with the PWA and the international community on pursuing key infrastructure priorities to help address the challenges of the sector;
2. Support the timely issuance of Israeli approvals for construction of infrastructure in Area C and for import of equipment into the West Bank;
3. Facilitate timely Israeli approvals for the entry of materials to Gaza;
4. Ensure that enabling conditions for the operation of required infrastructure are in place, and in particular, access to the energy required to operate them;
5. Help with setting an enabling regulatory framework for private sector investment in the water and the wastewater infrastructure through private sector – public sector partnerships (PPPs). This work will be undertaken in collaboration with the OQ Rule of Law team;
6. Support the mobilization of funds for water and wastewater projects in both the West Bank and Gaza to enable project implementation, completion and operation.

3. Ensuring commercial viability of the sector

The development of the water and wastewater services and infrastructure will increase the costs to end consumers. Recovering the cost of services is essential if services are to be sustained. In order to ensure the sustainability of the water sector as well as assisting in the effective coordination of the sector and to ensure the implementation of needed infrastructure, the OQ will:

1. Support the PA institutions including the PWA as well as the Water Sector Regulatory Council (WSRC) among other key actors in developing measures for cost recovery to ensure the commercial viability of sector;
2. Support the PA in advancing its control over the water networks to limit commercial non-revenue water. Part of this work, especially in Area C, will be built on the Police Mapping effort that has been developed by the OQ Rule of Law team, in partnership with other key actors.
3. Help the PA in advancing its water sector reform agenda which aims to centralize the provision of water and wastewater services through a national water company and regional water and wastewater utilities.

III. MOVEMENT AND TRADE

The efficient movement of cargo and people, as well as access to foreign markets, is a prerequisite for sustainable economic development. The OQ will support critical movement and trade relationships between Israel, the West Bank and Gaza in a manner that increases exports and commercial transfers and will work to ensure the smooth movement of both cargo and people within and beyond the Palestinian territory, applying principles of modern cargo, passenger and border management. The OQ will continue to focus its attention on three interdependent elements which support this broad objective:

- 1. Enabling economic growth through increased trade and improved trade facilitation;**
- 2. Enhancing the movement of people;**
- 3. Supporting the transfer of customs functions.**

1. Enabling economic growth through increased trade and improved trade facilitation

Expanding and facilitating internal and external trade will allow the Palestinian private sector to grow and create new jobs. The OQ will support trade facilitation by reducing impediments to trade and encouraging the upgrading of the access points as well as recommending the maximum use of modern technology and the implementation of transparent procedures. Wherever applicable, we will develop proposals to integrate internationally accepted best practices and procedures used at air, land and seaports around the world to improve the trade environment. We will also fully support the establishment of the Tarqumiya industrial zone.

Many Palestinian products are unavailable in current and historic markets as well as new and untapped international markets. The OQ will recommend policy changes and specific actions to mitigate the challenges faced by Palestinian companies transferring goods between the West Bank and Gaza, moving them into Israel and reaching diverse new markets. In particular, restrictions placed on goods leaving Gaza for transfer to the West Bank and Israel severely limit the potential growth of the private sector. Many factories in Gaza only work at less than 30 or 40 percent of their capacity because they are currently only producing for the Gazan market.

A. Door to Door and Trade Facilitation

In order to enhance trade facilitation, the OQ has identified three main areas of particular value to the sectoral objective. These will all require close collaboration with the Israeli Civil Administration, the Crossing Points Authority and COGAT as well as the Palestinian private sector. Accordingly, the OQ will focus on:

1. Implementation and further expansion of the door to door program, which aims to reduce transportation costs for goods manufactured in the West Bank destined for Israel and beyond;
2. Expansion of hours of service at both Tarqumia and Sha'ar Ephraim entry/exit points;
3. Expansion of the known trader program to the northern part of the West Bank to set the stage for future expansion of door to door.

B. Grow Gaza Trade

The Grow Gaza Trade initiative is intended to help bring products of Gazan origin to the West Bank, Israel and the greater world market. To do this, the OQ will work to:

1. Eliminate or minimize the impact of security restrictions on goods destined to the West Bank, Israel and the greater world market; utilizing the forum provided by the Dutch sponsored tri-lateral meetings and other available fora such as meetings with CoGat and others
2. Support Palestinian companies to meet and demonstrate their compliance with identified quality standards
3. Support efforts to enable access to productive inputs that are sometimes considered to be 'dual use' material by the GoI including wood and spare parts
4. Expand the categories of goods, such as processed foods, allowed to be transferred from Gaza to the West Bank;
5. Enhance the ability of the Gaza business community to sell their goods in the international marketplace.

C. Expanding the Reach of Goods to Markets where they are currently unavailable

Providing opportunities for new two-way trade for Palestinian manufacturers is essential to expand the reach of Palestinian products to existing, historic and new markets and to enable Palestinian manufacturers to find alternative sources of raw material. Building upon the success of the Omani initiative in late 2016, a new initiative with Kuwait is being undertaken in cooperation with the Palestinian Federation of Chambers of Commerce and the Palestinian Market Development Program (PMDP). Over 20 Palestinian companies, ideally from Gaza as well as the West Bank, will participate in a series of business to business meetings in January in Kuwait. Utilizing the experience gained from these two initiatives, the OQ will:

1. Support Palestinian businesses in efforts to expand exports to the Kuwaiti market;
2. Prepare a plan of action and guiding principles that can be used by Palestinian trade development entities to ensure their future success, with the intention of transitioning this work to Palestinian actors, such as PalTrade, along with a gradual phasing out of the OQ's role in this area.

D. Supporting industrial zones

There are four specific industrial zones currently designated on the West Bank including Bethlehem, Jenin, Hebron and Jericho. Regrettably, these have yet to live up to their potential as centers of manufacturing activity as had been originally hoped. Recent statements by the GoI and the PA about the establishment of an industrial zone in Tarqumia have rekindled hope that this new zone might create an environment that will lend itself to increased manufacturing activity. The OQ will support the parties by:

1. Providing support to the development of the Tarqumia Industrial Estate in a manner that will help ensure its' success;
2. Advocating for the incorporation of various security features, cutting-edge technology, automated/electronic data transfer, transparent procedures and the creation of incentives to ensure that manufacturers working within the Tarqumia Industrial Estate will realize the full range of benefits a zone has offer;
3. Seek to apply lessons learned from this process to other industrial zones;
4. Additionally, the OQ will work to support the existing Gaza Industrial Estate at Karne and future zones that may be designated in Gaza such as at Erez.

2. Enhancing the movement of people

Allenby/King Hussein Bridge (A/KHB) is the only consistently open international gateway for approximately 5 million Palestinians. Recent increases in passenger traffic have overwhelmed the facility. With this in mind, the OQ is working to improve the traveler experience at A/KHB.

A. Improving Passenger Processing at Allenby

The OQ has identified two programs that have the potential to significantly reduce processing times for passengers arriving at the Allenby crossing from Jordan. The first, modeled on numerous internationally accepted registered traveler programs, will allow low-risk or frequent Palestinian travelers to be pre-screened and processed in an expedited manner. The second program recommends utilizing objective criteria, such as the amount of luggage, to sort passengers and identify them for expedited processing. These programs have been discussed extensively with the Palestinian Authority, the Israeli Airports Authority and the Israeli Civil Administration and there is agreement that these two proposals have the potential to improve processing, reduce cost and maximize security. Accordingly, the OQ will seek to work with the parties to enable implementation of these streamlining initiatives. The OQ will work to incorporate the appropriate Jordanian entities into this effort.

B. Biometrically enabled travel documents

Biometrically enabled travel documents and passports have the potential to further improve the security of Palestinian travelers, minimize risk and allow for the expedited movement of travelers. In order to translate these measures into reality, the OQ will:

1. Support the use of a biometrically enabled travel card to enable the realization of a low risk or frequent traveler program at Allenby;
2. Bridge between the parties to encourage a mutual understanding of the benefits of utilizing biometric technology;
3. Encourage the GoI to allow issuance of biometrically enabled passports consistent with ICAO guidelines.

3. Supporting the transfer of customs functions

The proposed Tarqumia Industrial Zone has been identified as the possible site of a customs processing facility. Two key entities within the OQ, the Rule of Law team with its legal expertise and the Movement and Trade team with their technical and operational expertise will collaborate closely to ensure the implementation of Customs requirements consistent with the principles of modern border management. Specifically, the Movement and Trade team will support the technical and operational aspects of the transfer of customs functions from Israeli customs to Palestinian customs.

IV. RULE OF LAW

Among the key building blocks of a modern state are its ability to exercise authority over its territory and population, and coherent and effective governance structures. From its inception, the OQ was therefore mandated to “address [Palestinian] institutional governance needs... focusing as a matter of urgency on the rule of law.” The OQ will continue to work closely with the parties, bridging between them as appropriate, in pursuit of a holistic and integrated approach to advance this agenda, focusing on three mutually reinforcing objectives:

- 1. Strengthening the security sector;**
- 2. Strengthening the justice sector;**
- 3. Enhancing fiscal and financial stability.**

Each of these objectives is dealt with in greater detail below.

1. Strengthening the security sector

Movement and access for PA police and security forces is vital to advancing the rule of law, public safety and security, and economic development. The OQ’s prior mapping efforts produced neutral empirical data and analysis that enabled a major easing of Palestinian access. As a result, 1.8 million Palestinians can now be freely accessed by police with no coordination with Israeli authorities, an 18 percent increase,

while the number of West Bank Palestinians who were inaccessible dropped dramatically. To continue supporting the Palestinian security sector, in 2018 – 2020, the OQ will:

1. Continue to work closely with PASF and IDF officials, in partnership with United States Security Coordinator (USSC) and the Bureau of International Narcotics and Law Enforcement (INL), to facilitate further expansion of access and protection of the West Bank population by law enforcement officers;
2. Examine the need for addition and/or re-allocation of police facilities, equipment and personnel to enable effective delivery of police services, with a particular focus on ensuring effective law enforcement in the Jerusalem suburbs and other previously under-served communities, particularly in Areas B and C;
3. Strengthen the ability of the PA Judicial Police to serve warrants and execute judgments in light of new access rules and in the context of caseload and personnel needs. This effort will focus in particular on execution of the decisions of the family courts;
4. Advise on the appropriate mandate of the PA Customs Police, amendments to the law governing the force, and its deployment to Palestinian bonded storage areas to be established in the West Bank (see below), and develop recommendations for donor support and training to improve enforcement of customs rules. As a key component, the OQ will map, and work with PA and Gol authorities to address, the challenge of movement and access for the Customs Police in the West Bank. The OQ will also develop guidance regarding the subsequent deployment of the Customs Police to external customs points in both the West Bank and Gaza;
5. Support the ability of PA law enforcement authorities to protect the water and electricity infrastructure from vandalism and theft in Area C.

For many years, the absence of a legal framework hindered the development of an effective system of accountability for members of the security forces, and also undermined the authority of the civilian courts. At the PA's request, the OQ, in cooperation with USSC, assisted in drafting a package of laws to govern the Justice Commission for the Security Forces, clarifying its status, jurisdiction, and rules of procedure. The OQ will:

6. Work with the PA to promote enactment and implementation of these reforms, to further professionalize and regulate the system.

2. Strengthening the justice sector

In order to strengthen the Justice Sector, the OQ will:

1. Support the parties in their efforts to reconvene the Joint Legal Committee. The OQ will produce an in-depth study on legal cooperation in criminal matters, through a joint Palestinian-Israeli expert team, on the basis of which a set of training sessions will be conducted in cooperation with EUPOL COPPS. The OQ will work with personnel of the two criminal justice systems to address

problems identified in the study that hinder the effective investigation and prosecution of crimes committed on both sides;

2. Engage with the Israeli and Palestinian Ministries of Justice on additional elements of improved cooperation in the delivery of justice, including with respect to the decisions of Palestinian and Israeli family courts that impact the welfare of women and children in each other's jurisdiction.
3. Advise the PA, the international deputy chair of the Justice Sector Working Group, and other donors to the sector on trends, challenges and priority needs of the Palestinian justice sector. This includes but is not limited to:
 - a. Continuing to produce updates and progress reports to the deputy chair and advise the donor community on the latest developments in the rule of law;
 - b. Supporting the national committee tasked with drafting a comprehensive vision to empower the justice sector and the judiciary, (established by a presidential decision in September 2017).
4. Complete a comprehensive mapping of the Palestinian court system to support the Higher Judicial Council (HJC)'s strategic planning capabilities. Where the mapping analysis identifies obstacles to efficiency in the judicial process deriving from restrictions on movement, the OQ will work with the parties to address such challenges. By 2019, the OQ will transfer administration of the tool to the HJC, to enable improved planning and distribution of resources throughout the court system on a sustained basis;
5. Support relevant stakeholder institutions to strengthen the ability of the PA's criminal justice system to more effectively investigate and prosecute a range of serious crimes that threaten the stability of Palestinian society.

Since the 2007 political divide, parallel governmental institutions have developed in the West Bank and Gaza. Supporting efforts to empower PA governance in Gaza, the OQ will:

6. Expand on prior work and develop recommendations for the resumption of PA governance in Gaza, particularly as it relates to the justice and security sectors.

3. Enhancing fiscal and financial stability

Financial stability is crucial to the robustness and sustainability of the PA, its ability to govern well, and the overall welfare of Palestinian society. The OQ works with the parties and its international partners to facilitate ongoing PA-Gol dialogue on this core issue, and to improve implementation of the Paris Protocol (Annex V of the Interim Agreement, governing economic relations between the PA and Israel).

An important avenue for improving and sustaining the fiscal situation of the PA is the ongoing dialogue between the Palestinian and Israeli Ministries of Finance (MoF), which encompasses a broad range of fiscal and economic issues. This MoF-to-MoF dialogue has gained importance in recent years, with the gradual yet significant decline of donor direct budget support for the PA, and the upward trend of clearance revenue transfers from Israel. In partnership with UK DFID, the OQ has provided ongoing

support for the MoF-to-MoF discussions, with clear financial outcomes for the PA. The OQ will continue this support this process by:

1. Working with the PA, GoI and international partners (mainly the UK, US, Norway, the World Bank and IMF) to facilitate a more effective and results-oriented bilateral process;
2. Holding bilateral and multilateral consultations, constructively identifying and highlighting priorities and opportunities to address such items as “fiscal leakage” in execution of prior agreements (e.g., regularization of various payments, VAT arrangements) and other financial and economic issues;
3. Analyzing options for better bilateral collaboration on fiscal and financial issues;
4. Providing expertise and guidance based on comparative best practice where applicable; and
5. Exploring with the parties the possible updating of those elements of the Paris Protocol regime that, 23 years after its adoption, may not reflect current Israeli or Palestinian circumstances and commitments.

As one example of the last point, the OQ is conducting a market study of the potential impact, on both Palestinian consumer prices and on Palestinian industry, of updating the Paris Protocol’s “A1” list of goods authorized for import, in coordination with the PA Ministry of National Economy. To advance this process, the OQ will:

6. Work with the PA, Jordan and Israel to revise the “A1” list of goods authorized for import from Jordan to the Palestinian territory.

In response to the PA’s request, the OQ has prepared analyses for PA Customs to aid PA-GoI discussions regarding the potential transfer of various customs functions from Israeli to PA responsibility. The OQ is pursuing this effort in coordination with the World Bank, IMF, USAID and DFID. To support this process, the OQ will:

7. Continue to provide assistance to inform decision-making, including on such elements as the use of bonded storage, revision of the outdated legal framework for customs administration, assessment of the Customs Police and Customs Court, regulation of customs brokers, and eventual assumption of customs functions at both internal and external customs points.

To develop both public faith in government and a positive environment for commercial investment, an effective system of accountability is essential. The OQ will:

8. Produce an analysis of the PA’s Anti- Corruption Commission and Anti-Corruption Court, with recommendations to strengthen its operation and enhance its transparency.

Finally, as a component of its work to strengthen the legal framework for a more robust economy, the OQ will:

9. Produce a series of policy papers and coordinate efforts with donors to support the advancement of key laws and regulations that promote the ease of doing business in the Palestinian territory and enable greater private-public partnerships. Further, the OQ will provide assistance to ensure compatibility with Israeli and Jordanian legal contexts, to facilitate commerce with and through these two neighbors that insures to the benefit of the Palestinian economy.

V. INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT)

1. Telecommunications

The Office of the Quartet will continue to work with the parties, key stakeholders and the international community to enable the upgrading of Palestinian fixed and mobile communications. With the deployment of 2G technology in Gaza now complete, the immediate focus of attention is on finalizing the deployment of 3G technology in the West Bank, in keeping with the November 2015 agreement between the parties. 3G is the best technology for wide coverage, but faster services and higher capacities are now readily available via newer technologies including 4G (and soon 5G). Deployment of the latest technologies would benefit larger Palestinian cities where demand for mobile data services is high. Building upon the understandings reached between the parties as part of the 3G implementation process, the OQ will:

1. Support the finalization of the deployment of 3G in the West Bank in the first quarter of 2018;
2. Support engagement between the parties on agreement for deployment of 3G technology or preferably newer data technologies in Gaza;
3. Work to enable the upgrade of mobile data technologies (4G and 5G) in the West Bank, including engaging the parties in the development of options and feasibility analysis and consultations with the parties to enable further upgrades to mobile data technologies;
4. Work with the parties to facilitate the import and entry of needed material to secure the upgrades identified above.

2. Information technology (IT)

The deployment of the e-government in the West Bank and Gaza is seen as a major pillar in developing the IT sector. This deployment has four main objectives: support the PA in undertaking its reform agenda; help in establishing the environment for doing business where sharing of information and electronic services are key requirements; support the development of the local private sector through government outsourcing to the development of the e-government services; and finally attracting international high-tech companies by involving them in the building of the e-government in partnership with the Palestinian

private sector. To support achieving these objectives, the OQ will continue to work with all stakeholders to:

1. Support stakeholders in building consensus around the regulatory and technical priorities;
2. Help the PA to mobilize needed funds for the development of the e-government services starting with the pilot that has been identified through USAID technical support;
3. Encourage foreign high-tech companies to engage with the Palestinian private sector to develop the e-government services.

ECONOMIC MAPPING³

Spatial analysis can play a central role in supporting Palestinian planning, as well as that of international organizations and donors. As such, the OQ, in close collaboration with the Palestinian Prime Minister's Office (PMO), the Palestinian Central Bureau of Statistics (PCBS), Ministry of Local Government (MoLG), and the Ministry of National Economy (MoNE), is building an interactive economic mapping web-platform for the West Bank and Gaza. The objective is to enable relevant actors with accurate business intelligence/data analysis to make informed policy and investment decisions. This is duly needed in the Palestinian territory, where available land is being used up rapidly often in sustainable ways.⁴ Accordingly, the OQ economic mapping team will continue to focus its work on:

1. Supporting Palestinian economic development by providing data analysis across a range of keys sectors (including agriculture, energy, water, IT, tourism and hospitality, and light manufacturing) for use by Palestinian institutions, the private sector and donors;
2. Facilitating access to the web-platform and the data by working closely with the PA, nongovernmental institutions, and private sector organizations;
3. Acquiring new information and reconciling/combining/overlaying the data so that the sum of two datasets has a separate, perhaps greater utility than the original use of each one;
4. Building maps, infographics, and business intelligence dashboards that visually extract meaning from the data and render actionable information.

In order to maximize the potential for analysis, the wide array of software applications and independent databases held at each of the ministries need to interact, as this will help bridge information gaps.

Over the course of the next 20 months, the OQ will:

1. Collaborate with partners to arrange the handover of the web-platform to the Palestinian Authority by the end of 2019;

³ The Economic Mapping work is crosscutting and thus not limited to a single sector.

⁴ Available land is defined as open space, pastures, and shrubs that remain of the land mass after deducting cultivated agriculture area, already developed area (built-up, roads, cemeteries, industrial, commercial, dump, and construction sites), inaccessible area (Israeli settlements and outposts), and protected area of forests and nature reserves.

2. Develop the web-platform further and design a scalable Application Programming Interface (API) environment with required feature replication. This will enable PA counter-parts and NGOs to incorporate mapping, data visualization, and spatial analysis capabilities on their individual institutional websites;
3. Support the MoLG to implement a framework for the effective coordination and dissemination of spatial data: The Spatial Data Infrastructure initiative. This will enhance the PA's capacity to develop, review, and enforce regulations on data production and management;
4. Encourage stakeholders to leverage the platform's data processing and synchronization features in order to improve coordination amongst them using secure shared files.